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Chairman



Representative Gary Carter  
Vice Chairman

# Fiscal Year 2020-21 HB105 Budget Review Department of Veterans Affairs

House Committee on Appropriations  
by the House Fiscal Division

*March 10, 2020*

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# LA DEPARTMENT OF VETERANS AFFAIRS

**Mission:** to provide comprehensive care and quality service to Louisiana's Veterans, and their families, with regard to health care, education, disability benefits, long-term care, and burial honors.



# DEPARTMENT ORGANIZATION

Department of  
Veterans Affairs

Louisiana  
Veterans Home  
- Jackson (1982)

Northeast  
Louisiana  
Veterans Home  
- Monroe (1996)

Southwest  
Louisiana  
Veterans Home  
- Jennings  
(2004)

Northwest  
Louisiana  
Veterans Home  
- Bossier City  
(2007)

Southeast  
Louisiana  
Veterans Home  
- Reserve (2007)

Administrative

Claims

Contact Assistance

State Approval Agency

State Veterans Cemeteries



# DEPARTMENT OVERVIEW

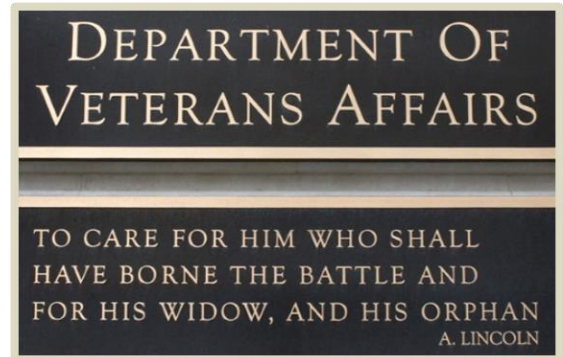


## Administration

- Office of the Secretary - Handles the management for the activities, performance, and overall operation for the Department of Veterans Affairs.
- Human Resources - Maintains all personnel records, regulates position classification, pay administration, hiring and firing, and employee relations for the department.
- Accounting and Purchasing - Plans, prepares, and executes annual department operating budgets, and is responsible for requesting funds. It also maintains and controls financial records of receipts and disbursements.
- Training and Information - Provides specialized classroom and field training to all newly appointed Veterans Assistance Counselors.

## Claims

- Represents veterans and/or their dependents on claims for benefits to which they are entitled before rating boards of the U.S. Department of Veterans Affairs and its Board of Vet Appeals.
- Represents and advocates for veterans before all agencies administering programs that affect veterans.
- Integrated with the Contact Assistance Program.



# DEPARTMENT FUNCTIONS



## Contact Assistance

- Locates and contacts veterans or dependents to process and develop claims to determine a veteran's eligibility for benefits.
- Assists veterans and their families with various problems such as medical services, compensation, pension programs, education, home loans, employment, insurance, and additional benefits when a patient is in a nursing home.

## State Approval Agency

- Approves, supervises, and provides technical assistance to the institutions and training establishments for veterans.
- Makes supervisory visits to all active schools, institutions of higher learning, non-college degree programs, job training programs and flight schools to ensure that the approved institutions are maintaining the approval criteria as approved and as set out in the Operation Plan and the Veterans Affairs contract.
- Conducts inspection visits on new schools seeking approval, and additional visits at the request of Veterans Affairs.





# DEPARTMENT FUNCTIONS



## Military Family Assistance Fund

- Addresses financial hardships veterans, Louisiana National Guardsmen, and Reservists and their dependents may encounter by paying for a variety of items for those who qualify, such as food, housing, medical expenses, auto repair, and more.
- During the 2016 floods, this fund provided aid to the families of several hundred veterans to aid in recovery.
- Funded by private donations from individuals and corporations.

## Louisiana Veterans Honor Medal

- Established as a way to honor, recognize and thank Louisiana veterans for their honorable military service.
- Available for all Louisiana veterans who were honorably discharged and to the families of those who were killed in action. The medal comes with ribbons to distinguish honorable service, Purple Heart, Prisoner of War, and Killed in Action.



# DEPARTMENT FUNCTIONS



## Veterans Cemeteries

- The department constructs, operates, and maintains veterans cemeteries throughout Louisiana.
- Available for qualifying veterans, their spouses, and dependent children (at no charge for veteran burials).

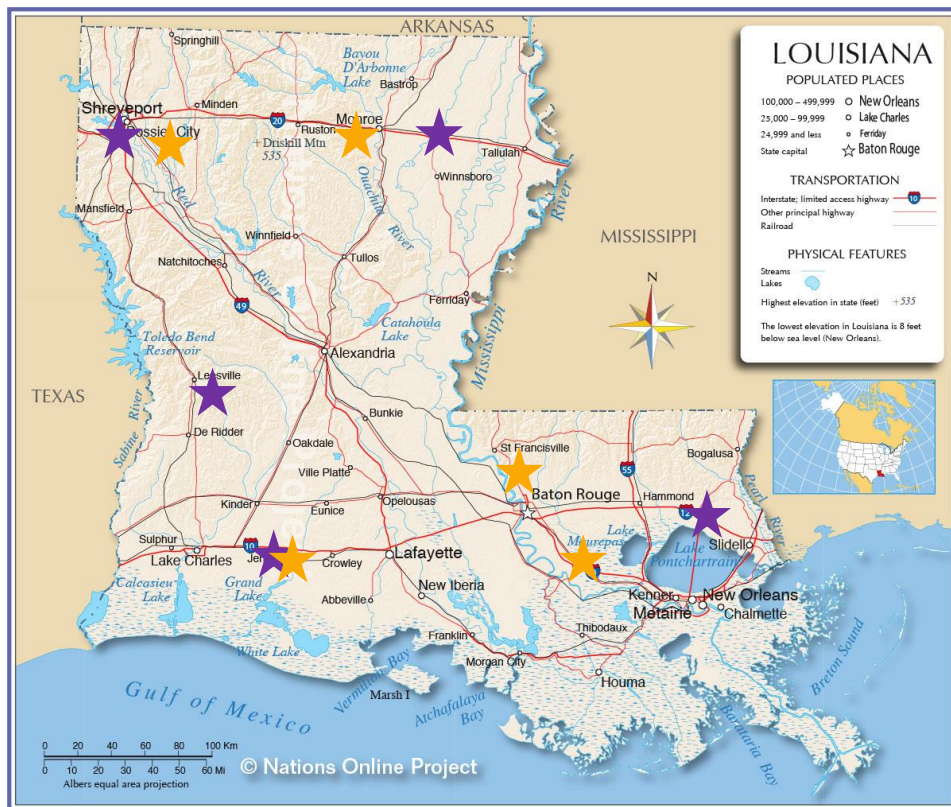
## Veterans Homes

- Provides nursing care to eligible veterans in five veteran nursing homes.
- Provides a variety of services including long-and short-term care, rehabilitative therapies, Alzheimer's care, skilled nursing, mental health services, and centralized pharmacy services.





# VETERANS HOME AND CEMETERY LOCATIONS



★ Veterans Homes

★ Veterans Cemeteries

## Veterans Homes

Bossier City, LA

Jackson, LA

Jennings, LA

Monroe, LA

Reserve, LA

## Veterans Cemeteries

Keithville, LA

Leesville, LA

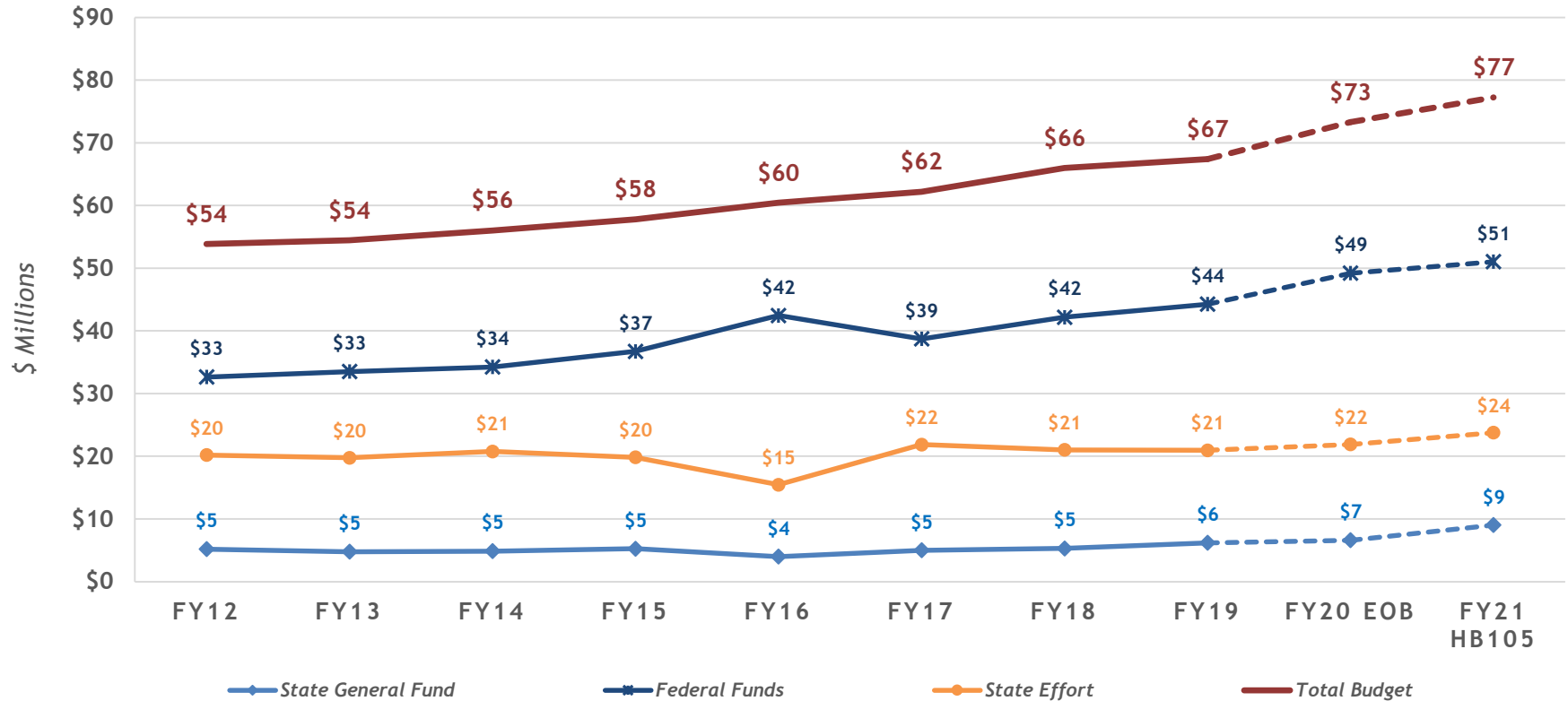
Rayville, LA

Slidell, LA

Jennings, LA

# HISTORICAL SPENDING

NOTE: All FY20 Existing Operating Budget (EOB) amounts used in this presentation exclude carryforwards from FY 19.



Source: Office of Planning and Budget - Budget Supporting Documents; and HB105 of the 2020 Regular Session

# SOURCES OF FUNDING

## Interagency Transfers \$2.4M

- These funds come from the various Veterans Homes into the main agency for Medicare Services.
- A small portion of these funds are each home's contribution for an internal auditor position that services all the homes.
- \* CARRYOVER: \$248,000 was carried forward from FY 18-19 into FY 19-20. R.S. 29:384 allows all Interagency, Federal, and Self-generated revenues received by the Department of Veterans Affairs to be carried over.

## Self-generated Revenue \$14.6M

- In the Veterans Homes, these funds are derived from the residents' ability to pay for part of their care and from employees and visitors purchasing meal tickets.
- In Contact Assistance, these funds are derived from each parish's contribution towards providing a veterans service office.
- \* CARRYOVER: \$1.9 million was carried forward from FY 18-19 into FY 19-20. R.S. 29:384 allows gifts, contributions, bequests, and individual reimbursements to be carried over.

## Statutory Dedications \$115,528

- These funds come from the Military Family Assistance Fund, collected by the donations of businesses and citizens throughout Louisiana, including via an individual or a corporate state income tax check-off.

## Federal Funds \$51M

- In the Veterans Homes, these funds are derived from the Veterans Administration for patient care and Medicare eligible residents cost reimbursements.
- In Veterans Affairs, these funds come from the U.S. Department of Veterans Affairs as funding intended to flow through the agency to the veterans of Louisiana.

# FUNDING CHANGE COMPARISON

Means of Finance	FY 18-19	FY 19-20	FY 20-21	Change from EOB		Change from Actuals	
	Actual Expenditures	Existing Operating Budget	HB105 Budget	\$	%	\$	%
SGF	\$6,179,058	\$6,580,688	\$8,993,420	\$2,412,732	36.7%	\$2,814,362	45.5%
IAT	\$2,169,628	\$2,211,412	\$2,448,947	\$237,535	10.7%	\$279,319	12.9%
FSGR	\$14,659,819	\$15,195,112	\$14,629,277	(\$565,835)	(3.7%)	(\$30,542)	(0.2%)
STAT DED	\$120,019	\$115,528	\$115,528	\$0	0.0%	(\$4,491)	(3.7%)
FEDERAL	\$44,257,609	\$49,202,946	\$51,034,949	\$1,832,003	3.7%	\$6,777,340	15.3%
Total	\$67,386,133	\$73,305,686	\$77,222,121	\$3,916,435	5.3%	\$9,835,988	14.6%

Significant revenue changes from EOB:



## \$2.4M SGF

Largely due to replacing Fees/Self-generated and Federal Funds with State General Funds due to decreased collections from patients at the LA Veterans Home in Jackson, LA.



## \$566K FSGR

Decrease in revenue from patient fees for care provided in LA Veterans Home in Jackson and Northwest LA Veterans Home in Bossier.



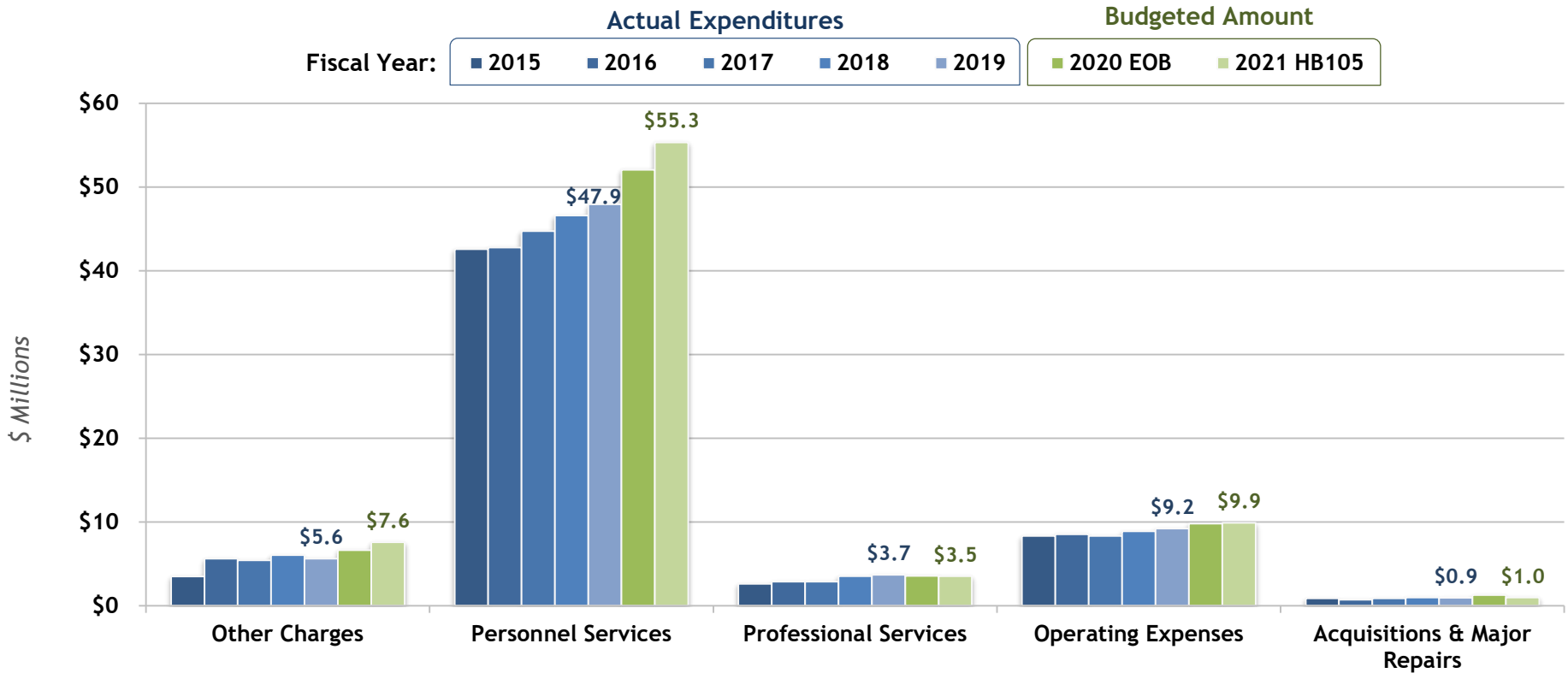
## \$1.8M FED

Increasing federal revenues for nursing care for Medicare eligible residents at all veterans homes with the exception of the LA Veterans Home.

# AGENCY FUNDING

Agency Name	FY 18-19 Actual Expenditures	FY 19-20 Existing Operating Budget	FY 20-21 HB105 Budget	Change from EOB		Change from Actuals	
				\$	%	\$	%
Dept. of Veterans Affairs	\$10,052,624	\$10,926,015	\$11,751,382	\$825,367	7.6%	\$1,698,758	16.9%
LA Veterans Home	\$9,853,807	\$10,427,762	\$10,994,347	\$566,585	5.4%	\$1,140,540	11.6%
NE LA Veterans Home	\$11,440,142	\$12,299,797	\$12,890,433	\$590,636	4.8%	\$1,450,291	12.7%
SW LA Veterans Home	\$12,173,127	\$13,442,865	\$13,922,139	\$479,274	3.6%	\$1,749,012	14.4%
NW LA Veterans Home	\$11,920,107	\$13,030,784	\$13,738,561	\$707,777	5.4%	\$1,818,454	15.3%
SE LA Veterans Home	\$11,946,326	\$13,178,463	\$13,925,259	\$746,796	5.7%	\$1,978,933	16.6%
Department Total	\$67,386,133	\$73,305,686	\$77,222,121	\$3,916,435	5.3%	\$9,835,988	14.6%

# EXPENDITURE HISTORY



Source: Office of Planning and Budget - Executive and Proposed Budget Supporting Documents



# EXPENDITURE CHANGE COMPARISON

Expenditure Category	FY 18-19 Actual Expenditures	FY 19-20 Existing Operating Budget	FY 20-21 HB105 Budget	Change from EOB		Change from Actuals	
				\$	%	\$	%
Salaries	\$32,436,923	\$34,654,123	\$36,456,629	\$1,802,506	5.2%	\$4,019,706	12.4%
Other Compensation	\$1,448,001	\$1,561,650	\$1,230,100	(\$331,550)	(21.2%)	(\$217,901)	(15.0%)
Related Benefits	\$14,063,975	\$15,843,971	\$17,626,952	\$1,782,981	11.3%	\$3,562,977	25.3%
Travel	\$158,243	\$191,867	\$220,503	\$28,636	14.9%	\$62,260	39.3%
Operating Services	\$3,051,636	\$3,248,960	\$3,497,567	\$248,607	7.7%	\$445,931	14.6%
Supplies	\$5,979,066	\$6,344,473	\$6,167,042	(\$177,431)	(2.8%)	\$187,976	3.1%
Professional Services	\$3,684,296	\$3,563,191	\$3,500,406	(\$62,785)	(1.8%)	(\$183,890)	(5.0%)
Other Charges/IAT	\$5,619,072	\$6,625,287	\$7,571,475	\$946,188	14.3%	\$1,952,403	34.7%
Acq/Major Repairs	\$944,921	\$1,272,164	\$951,447	(\$320,717)	(25.2%)	\$6,526	0.7%
<b>Total</b>	<b>\$67,386,133</b>	<b>\$73,305,686</b>	<b>\$77,222,121</b>	<b>\$3,916,435</b>	<b>5.3%</b>	<b>\$9,835,988</b>	<b>14.6%</b>

Source: Office of Planning and Budget - Budget Supporting Documents and HB105 of the 2020 Regular Session

# SIGNIFICANT EXPENDITURE CHANGES

## Personnel Services - \$3.3M

\$1.5M

Net salaries/other comp adjustment for Civil Service market rate increases, funding for job appointments, funding for special entrance rates for certified nursing assistants, registered nurses, and licensed practical nurses at the veterans homes, and the net loss of one authorized position.

\$1.8M

Related Benefits increase related to salary adjustments and for health insurance rate increases. *(Based on prior years' actual expenditures there appears to be excess authority in this adjustment. This may be due to funding of vacant positions and related benefits that may never get filled (expended) as historical actual attrition rates have exceeded budgeted attrition rates.) The Office of Planning and Budget did eliminate 2 of the 89 vacant positions.*

## Other Charges - \$946,000

\$481,000

Increase in costs paid to the Office of Technology Services.

\$168,000

Increase in funds for payment of residents' prescription drugs.

\$120,000

Funding adjustment for veterans cemeteries.

\$106,000

Increased funding for WIFI costs and IAT expenditures to the Contact Assistance Program for the Veterans Assistance Counselors.

# OTHER CHARGES DETAIL



Amount	Description
\$800,000	Veterans Disability Benefits
\$305,000	LaVetCorps
\$116,000	Military Family Assistance Program
\$53,000	Medal Initiative
\$50,000	Burials for indigent veterans
<b>\$1,324,000</b>	<b>TOTAL OTHER CHARGES</b>



# OTHER CHARGES/IAT DETAIL

## Interagency Transfers

Amount	Description
\$2,632,000	Transfer within the department for services
\$1,602,000	Office of Risk Management (ORM)
\$1,136,000	Office of Technology Services (OTS)
\$229,000	Rent in State-Owned Buildings
\$203,000	Civil Services Fees
\$159,000	Legislative Auditor Fees
\$104,000	Uniform Payroll System (UPS) Fees
\$80,000	Office of State Procurement

## Interagency Transfers

Amount	Description
\$37,000	ELMHS Natural Gas and Gasoline
\$25,000	Dixon Correctional Institute work crew
\$22,000	Administrative Program Support
\$12,000	Capitol Park Security
\$4,000	State Treasury Fees
\$2,000	Villa Feliciano medical complex for radiology, lab and physician on-call services
\$1,000	Jennings Cemetery
\$1,000	Printing Services

**\$6,249,000 = TOTAL Interagency Transfers**

# FY19 UNSPENT AUTHORITY

	End of Fiscal Year Budget	Actual Amount Spent	Unspent Budget Authority	Unspent Budget %	Unspent % by MOF
SGF	\$6,272,418	\$6,179,058	\$93,360	1.5%	1.7%
IAT	\$2,589,825	\$2,169,628	\$420,197	16.2%	7.6%
FSGR	\$17,964,529	\$14,659,819	\$3,304,710	18.4%	59.7%
STAT DED	\$175,528	\$120,019	\$55,509	31.6%	1.0%
FEDERAL	\$45,917,968	\$44,257,609	\$1,660,359	3.6%	30.0%
<b>FY19 TOTAL</b>	<b>\$72,920,268</b>	<b>\$67,386,133</b>	<b>\$5,534,135</b>	<b>7.6%</b>	<b>100.0%</b>

## Historical Total Unspent Authority for Comparison

FY18 TOTAL	\$68,544,654	\$65,985,506	\$2,559,148	3.7%
FY17 TOTAL	\$64,200,558	\$62,180,830	\$2,019,728	3.1%
3 YR AVG	\$68,555,160	\$65,184,156	\$3,371,004	4.9%

The most significant area of unspent authority is in the Fees/Self-generated category due to under-collection of revenues from patient care at the veterans homes.

# FY19 UNSPENT AUTHORITY

## Did department collect all revenue budgeted?

	Final Budget (w/o carryforward)	Actual Revenue Collections	Uncollected Revenue
SGF	\$6,272,418	\$6,179,058	(\$93,360)
IAT	\$2,589,825	\$2,184,388	(\$405,437)
FSGR	\$17,964,529	\$14,044,264	(\$3,920,265)
SD	\$175,528	\$120,019	(\$55,509)
FED	\$45,917,968	\$47,117,352	\$1,199,384
<b>TOTAL</b>	<b>\$72,920,268</b>	<b>\$69,645,081</b>	<b>(\$3,275,187)</b>

The department collected \$3.3 million less than the FY19 budget. The majority of excess budget authority over collections was in fees and self-generated revenue, and was due to lower than anticipated collections in veterans homes.

## Did department spend all collections?

	Actual Revenue Collections	Actual Expenditures	Unspent Revenue
SGF	\$6,179,058	\$6,179,058	\$0
IAT	\$2,184,388	\$2,169,628	(\$14,760)
FSGR	\$14,044,264	\$14,659,819	\$615,555
SD	\$120,019	\$120,019	\$0
FED	\$47,117,352	\$44,257,609	(\$2,859,743)
<b>TOTAL</b>	<b>\$69,645,081</b>	<b>\$67,386,133</b>	<b>(\$2,258,948)</b>

The department spent \$2.26 million less than what was collected. The department spent more than was collected in fees and self-generated revenue in FY 19, but there were additional funds carried forward from the prior year that made these expenditures possible. Unspent revenue includes money each veterans home deposits into its carryover account, in an effort to keep 90 days of operational expenses available.

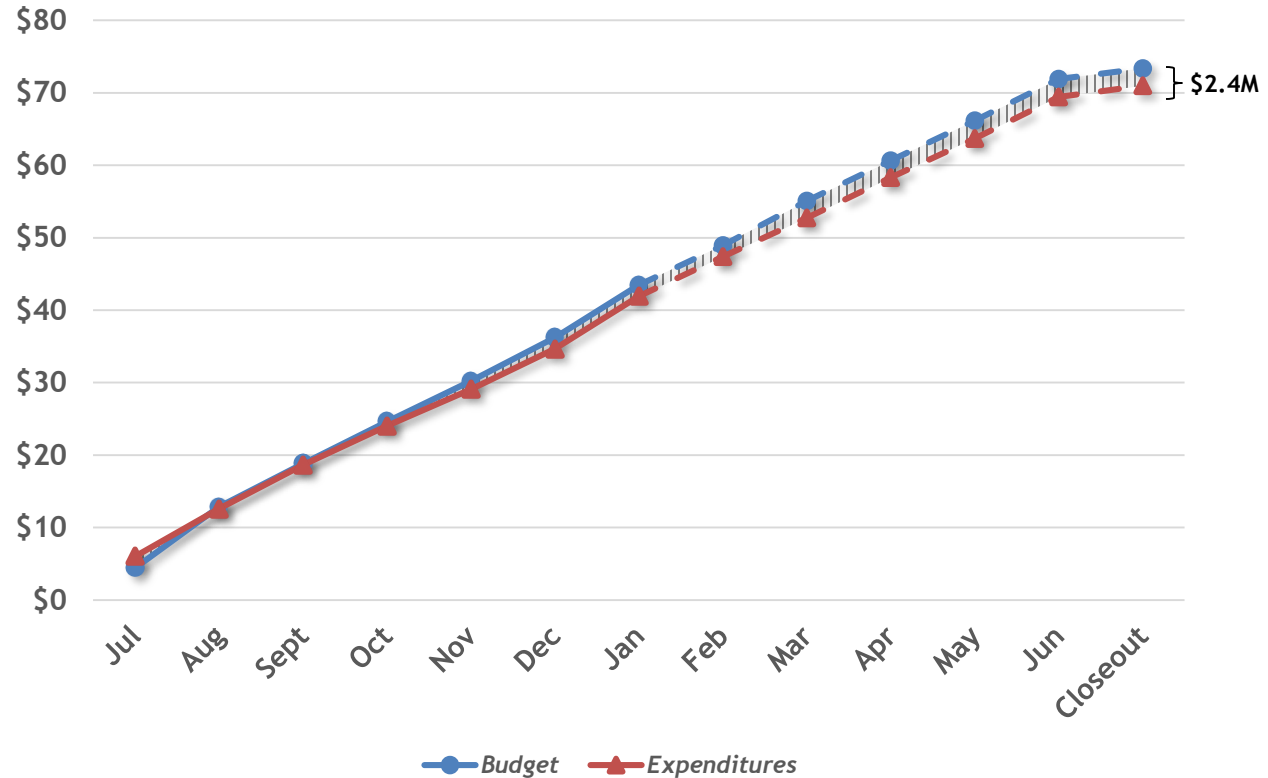


# CURRENT EXPENDITURE TREND

Analysis shows approximately 3% or \$2.4 million in total budget authority from all means of finance could be unspent at FY 20 year-end based on actual spending through January and projections to the end of the year.

In FY19, the department did not spend \$5.5 M or 7.6% of its budget authority comparing its end of year budget and actual expenditures and factoring in funds carried into FY20.

For FY19, HFD projected the department would have \$3.2M in remaining budget authority, when they actually had \$5.5M authority left at year end. The Department spent less in supplies and IAT than HFD projected.

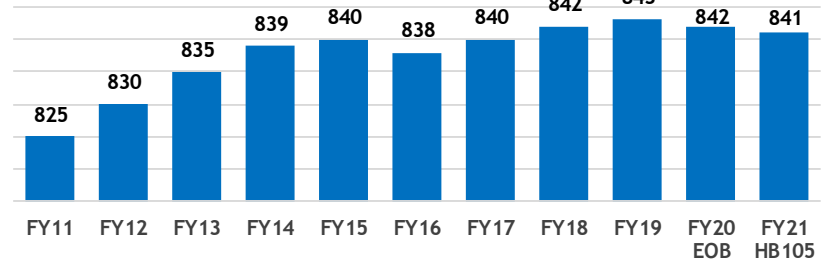


# PERSONNEL INFORMATION

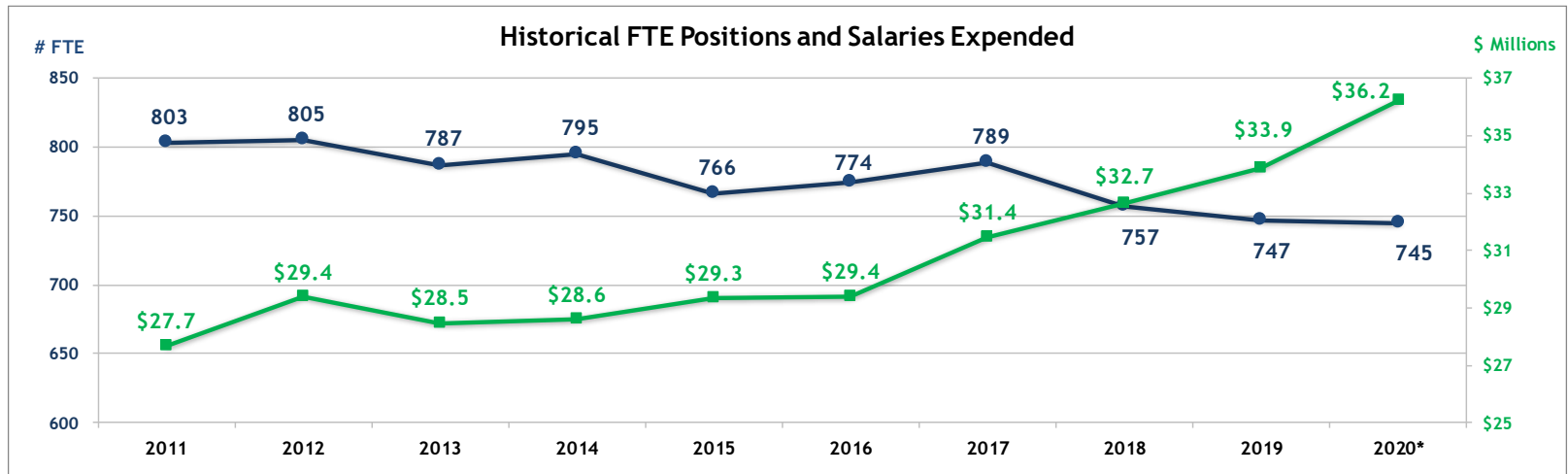
## FY 2021 Recommended Positions

841	Total Authorized T.O. Positions (833 Classified, 8 Unclassified)
0	Authorized Other Charges Positions
1	Non-T.O. FTE Positions
89	Vacant Positions (February 3, 2020)

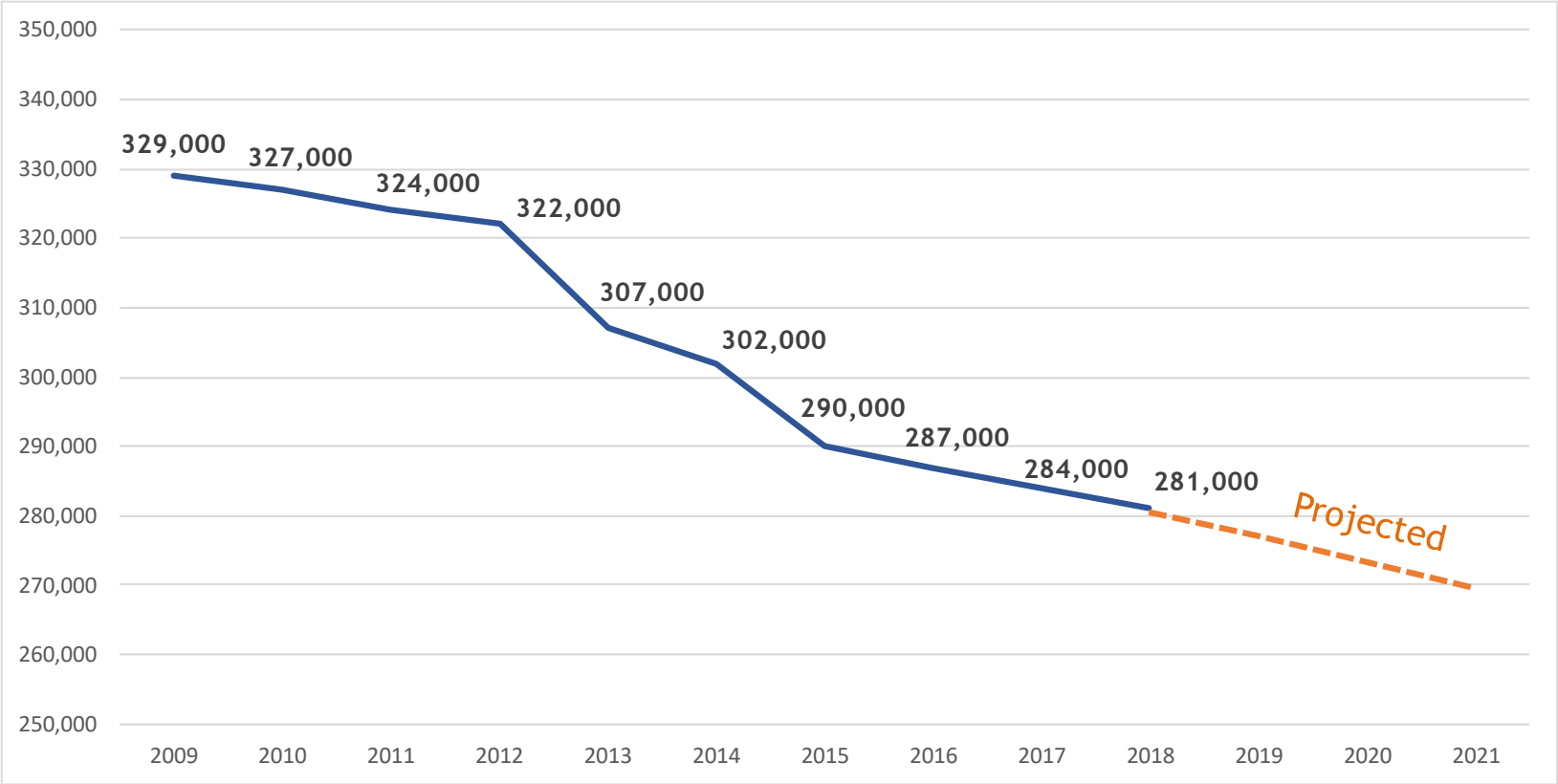
## Historical Authorized T.O. Positions



## Historical FTE Positions and Salaries Expended



# ESTIMATED NUMBER OF VETERANS IN LOUISIANA



Source: Data from the National Center for Veterans Analysis and Statistics, Office of Enterprise Integration, U.S. Department of Veterans Affairs

# VETERANS HOME AVERAGE COST

Average Totals	Actual FY 13-14	Actual FY 14-15	Actual FY 15-16	Actual FY 16-17	Actual FY 17-18	Actual FY 18-19
Daily Census	142	141	141	136	138	135
Occupancy Rate	92%	91%	91%	88%	89%	90%
Cost per Patient per Day	\$184	\$194	\$202	\$212	\$222	\$231
Cost per Patient per Year	\$67,528	\$70,923	\$73,402	\$77,704	\$80,667	\$84,638

Source: House Fiscal Division calculations based on Executive Budget supporting Documents and Performance Indicators

# DEPARTMENT CONTACTS



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